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Angus
Foundation
EDUCATION • YOUTH • RESEARCH

Championing
a **Cause**

2016 Angus Foundation Annual Report





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Mission Statement: The Angus Foundation, the 501(c)(3) not-for-profit affiliate of the American Angus Association®, secures and stewards charitable gifts to cultivate and foster the advancement of education, youth and research activities benefiting the Angus breed.

Some content and some photos by Sarah Hill, projects editor, ANGUS MEDIA. Additional photos and story contributions provided by American Angus Association®, ANGUS MEDIA and Angus Genetics, Inc.® Additional thank yous to *Angus Journal*® Editor Shauna Hermel, Senior Associate Editor Kasey Brown and Assistant Editor Linda Robbins. Special thank you to the American Angus Association's accounting department for assisting with financials.

A Pedigree of Champions



Allen Moczygmba
Chief Executive Officer
American Angus Association

Less than 40 years since its inception, you and your families have built the Angus Foundation into one of the great philanthropic success stories in agriculture.

But that's why an organization like the Angus Foundation was formed – to pool our resources and know-how while building something significant that wouldn't be possible without the collective contributions of each and every one of you.

In the past 36 years, the Angus Foundation has contributed millions in financial support for education, research and youth. Providing educational opportunities for young people that may not have existed otherwise while at the same time funding research efforts not only focused on improving the Angus breed but also the beef industry as a whole.

Similarly, the Foundation's commitment to molding young people with leadership potential into great leaders that ultimately become champions of both this breed and Association cannot be understated.

And it's all driven by the efforts of the Angus family that champions a collective commitment to developing its youth with funding for education and leadership training while at the same time providing financial support for research that ensures Angus cattle remain the premier beef breed in the world.

But that's what leaders, and ultimately, champions, do. They're always the first to offer help and then provide financial support to create a vision for the future – one that will be impactful and make a difference in people's lives. Because champions know that to ensure growth and a bright future for both our children and the American Angus Association, commitments must be made and resources provided.

So even though today we're celebrating unprecedented success, we cannot rest on our laurels because we all understand the critical importance that the Angus Foundation plays in our lives and within the Association. We must continue to push forward with the same shared commitment to the Angus Foundation and the valuable work that it does.

On behalf of everyone at the American Angus Association, thanks for not only your past support but continuing to champion the cause of the Angus Foundation.

Champions for the Future



Leo McDonnell, Jr.
Chairman
Angus Foundation

The Angus Foundation is a cornerstone of the Angus breed and our Angus heritage. Looking back at the numerous "Champions" the Angus Foundation has involved since its inception in 1980 is a testament to our members and their will to give back and ability to look to the future.

The Champions of the Angus Foundation are evident throughout our Angus membership: the junior who excels in scholastics, the breeder who benefits from our progressive research programs and the member who becomes more active by taking part in many of our Association's educational programs. Your Angus Foundation supports these worthwhile goals by providing undergraduate and graduate scholarships, providing the necessary funding for valuable research and funding worthwhile educational opportunities for all members.

However, there are other notable Champions of our Angus Foundation – the Champions who have inspired, motivated and given graciously of their time, talent and philanthropic support. These Champions have carried the torch and guided us down the path to achieve greatness! With each donor and supporter who has tirelessly championed the cause of the Angus Foundation, that torch continues to burn brighter and stronger for the future of Angus!

Will you champion our cause? Will you be the next Champion for Angus? Only you can answer those two questions, but it is my hope you will answer with a resonating yes! As Champions of the Angus Foundation, your actions today will have significant effects for years to come. One small gift today provides hope and opportunity for future generations who will follow in our footsteps. Join with your fellow Angus members and myself; let's Champion the Cause together!

Champions for Life



Milford H. Jenkins
President
Angus Foundation

When the Angus Foundation was first championed 36 years ago, our founders embraced a vision for the critical role the organization would serve in the future development of the Angus breed, and the education, youth and research programs we know today.

These visionary “Champions” were pioneers who believed in a cause and laid the groundwork that has inspired and encouraged a lifetime of philanthropic support to your Angus Foundation.

This issue of the Angus Foundation Annual Report affirms the vision our predecessors held when creating the Angus Foundation and illustrates the progressive strides and growth made possible by charitable gifts from generous Angus breeders, allied industry and friends.

A number of individuals who champion our cause as well as benefit from our organization’s noble work are found on the following pages of this report, in addition to the financials. The impact of the Angus Foundation, indeed, can be measured quantitatively in dollars invested in the respective facets of our formal mission. Beef cattle research projects and white papers funded by the organization are tangible examples of these value-added investments. But the unquantifiable, true measure of the difference our supporters are making is found in the hearts, souls and minds of Angus youth. To quote the late David McMahon, “We are not just building future Angus leaders, we are building future American citizens.” How true those words resonate, especially in today’s world.

Hence, while reviewing the materials presented in this fiscal year’s report, we hope you, too, will be inspired and encouraged to join with us to “champion the cause of the Angus Foundation.” Your continued support will enable your Angus Foundation to provide opportunities for future generations. This would be our founders’ and David’s charge of us all!

It’s truly a privilege to serve as your Foundation President and on behalf of the Angus Foundation, I want to thank you for “championing this important cause!”

A handwritten signature in black ink, appearing to read "Milford H. Jenkins". The signature is fluid and cursive, written over a white background.

Board of Directors



The 2016 Angus Foundation Board of Directors includes (front row, from left) Vice Chairman Allen Moczygemba, Chairman Leo McDonnell, Jr., President Milford Jenkins, (back row, from left) Chuck Grove, Dave Nichols, Outside Representative Mark Duffell, John Grimes, Tom Burke, John Elbert Harrell, Secretary Richard Wilson.

Representing 30,000 Angus Breeders

By Sarah Hill



Cody Sankey

For Cody Sankey, Economy, Indiana, the opportunity to attend the Young Cattlemen's Conference (YCC), sponsored by NCBA, was the chance to learn, meet people, be more involved in the beef industry and broaden his horizons.

There's no doubt that Sankey will make a positive impact on the Angus industry as a result of his participation in YCC; it's just a matter of how and when.

About Sankey

Sankey, a fifth-generation cattleman, grew up on the 6N Ranch in Council Grove, Kansas, the second-oldest registered

Angus herd in the U.S. with more than 115 years in the Angus business.

Sankey holds a bachelor's in animal science and a master's in ruminant nutrition from Oklahoma State University. He previously managed the Michigan State University Beef Cattle Center and coached the Michigan State University livestock judging team.

Today, Sankey serves as Beef Sire Procurement Manager for Genex CRI and raises registered Angus cattle with his wife, Lindsay. The couple has a two-month-old daughter, Caroline. **Selected by the Angus Foundation**

The Angus Foundation selected Sankey through an application process to represent the American Angus Association (AAA) at YCC — a distinction for any young Angus breeder. "I was definitely excited to find out that I had been selected to attend YCC," Sankey says. "It's a big honor to have the responsibility of representing the AAA."

Sankey says that, for him, the highlight of the week was going to

Washington, D.C. and interacting with legislators.

"It was interesting to see how things work, who's making the laws," he adds. "The feedyards and packing facilities were awesome, but getting to go to Washington, D.C. isn't something you get to do every day."

Furthering Educational Opportunities for Young People

Sankey states that he's grateful to the Angus Foundation for giving young people the chance to further their educations — whether through scholarships or industry events like the YCC.

"The Angus Foundation helps young people to do things that they couldn't afford to do themselves or wouldn't be financially sustainable," he says. "I appreciate that they want to educate the future leaders of the industry, whether they're juniors or young AAA members."

Of course, supporting beef industry participation like Sankey's attendance at YCC isn't possible without the backing of generous donors.

"Without those donors, these opportunities wouldn't exist for young people," Sankey says. "I hope all Angus Foundation donors see the benefit of what they're doing."

Huge Benefit

For Sankey, he says that attending the YCC was one of the most beneficial things he's ever done.

"The things you see and people you meet — you're traveling with 60 of the best young cattle producers in America," he says. "You spend 10 days with them and get to know them. They become your best friends and you'll do business with them in the future and build that network to be stronger and better."

Sankey says that he's already implementing what he's learned at YCC into his every day life and work. "I've become more involved from a legislative perspective, now that I understand what we're up against," he says. "It's important to take a stand, get out there and tell our story. For a young Angus breeder looking to spend a lifetime working in the beef industry, getting an opportunity to participate in the YCC was a humbling experience. It's a unique group of individuals to be a part of."



2016 Angus Ambassador



Cassandra Garcia

The National Junior Angus Association (NJAA) announces Cassandra Garcia, Renton, Washington, as the 2016-2017 Angus Ambassador, serving a one-year term as a spokesperson for the organization's nearly 6,000 junior members at cattle industry events across the United States and Canada.

"I look forward to pursuing involvement with consumers, as well as producers in the industry," Garcia says. "As Angus Ambassador, it is important to serve as a resource to consumers in order to bridge the gap."

Garcia, a junior at the University of Washington studying business administration and marketing, grew up surrounded by Angus cattle. Garcia has experience through her state association building junior programs. She believes it is important to connect across generations in the Angus breed, encouraging leadership from both youth and adults.

"We are in an industry that has always been progressive," Garcia says. "Encouraging the older generation to share their stories with junior members and consumers will help us remain leaders in the business."

To be considered for the ambassador position, each junior member submitted a cover letter, résumé and two essay responses. The top candidates were invited to the American Angus Association, where they gave a 5-8 minute presentation followed by five minutes of questions.

Garcia's presentation focused on Angus advocacy and how producers can connect with consumers. Garcia is working towards forming a new student organization, Agriculture Council, at the University of Washington to build awareness within the predominantly urban demographic. Through the organization, she hopes to connect with consumers and students to bridge the consumer-producer gap.

"We talk about the people who aren't associated or involved in the cattle industry, and Cassandra will be able to connect and relate to them," says Angus Ambassador Judge Callie Mullins, associate professor of animal science at Northwest Missouri State University. "She is very open minded, and I think she is going to educate, but also learn so much in the next year."

Judging the competition, along with Mullins, were Shelby Mettlen, Angus Media assistant editor; Ryan Ruppert, Association director of special projects; Dave Nichols, Association board member; and Kelli Retallick, Angus Genetics Inc. (AGI) director of genetic service.

Angus Foundation Awards Two New Scholarships at NJAA



DeEtta Wood Memorial Scholarship

DeEtta (Jones) Wood served as president of the North Carolina Angus Auxiliary and advisor of the North Carolina Junior Angus Association. At the Wood family's 2015 annual production sale, an Angus heifer was sold, raising more than \$20,000 towards starting a scholarship in her honor.

One \$1,000 scholarship will be given to an undergraduate student. First preference will be given to students from North Carolina, and past recipients from North Carolina may receive the scholarship in subsequent years.



Joseph & Susanne Bush/J&S Ranch Scholarship

Joe and Susanne Bush find pride in helping youth however they can. To that end, in 2015, the couple created a scholarship endowment fund. One \$500 scholarship will be given to an undergraduate student. First preference will be given to members of either the Texas or Mississippi Junior Angus Association. The scholarship is

only for undergraduates pursuing an agricultural related academic degree.

Taking the Heat Out of Beef Production

By Sarah Hill



Heat tolerance is an economically important trait for beef producers in some regions. Total economic losses from heat stress in the beef industry are estimated to be greater than \$360 million annually due to reduced feed intake, less weight gain, reduced milk production and greater reproductive failure in both bulls and females.

Angus cattle typically experience greater physiological effects of heat stress than other cattle breeds. Improving heat tolerance in Angus cattle would have a large economic impact nationally and could increase the use of Angus genetics in regions with greater heat stress.

The Angus Foundation agreed that this topic is of utmost importance to Angus breeders, so provided financial support for research for Heather Bradford, Research Assistant, University of Georgia Animal Science & Dairy Science Department.

The research objectives were to assess the impact of heat stress on Angus cattle and use that research to develop a model for genetic evaluation using routinely measured, economically relevant traits to improve heat tolerance.

“As one of the leaders in the beef industry, it’s great for the Angus Foundation to sponsor cutting-edge research and work towards improving beef production,” says Bradford.

Currently, selection tools for improving heat tolerance or adaptability are not routine in U.S. national cattle evaluation. Producers have limited options for decreasing heat stress in cow-calf production systems and with intense selection for production traits, the consequences of adaptability are unknown.

Previous studies have shown that heat stress can result in regional or seasonal differences of up to 44 lbs. in progeny performance. That’s a lot of weight gain that Angus breeders are potentially missing out on.

“There’s been some studies done on heat stress in feedlot cattle, where it’s a bit easier to study,” says Bradford. “Then UGA research started looking at heat stress on dairy cattle, then shifted to beef cattle.”

Identifying elite bulls for warmer climates would also enable Angus producers to stimulate demand for those genetics and market those bulls to Southern commercial cattlemen, potentially for a premium.

In recent years, Angus breeders have selected for increased production traits with correlated increases in mature size, milk production and feed requirements. Matching cow type and nutritional status with seasonal forage fluctuations is critical for profitability in cow-calf enterprises.

Due to all these factors, fall calving is more common in the Gulf Coast and Southern regions than in other regions.

“For calves born in the fall, we don’t expect them to experience heat stress, but we can still see differences in genetic tolerance for heat stress,” Bradford explains. “Another possibility for future research is looking at how pregnant cows respond to heat stress and how the cow experiencing heat stress influences calves before they’re born.”

Bradford and her team retroactively reviewed thousands of Angus cattle weaning weights and yearling weights that had been submitted by Angus breeders. The researchers used farm ZIP codes and the date cattle were weighed to look back at the weather in each respective area prior to the cattle being weighed to determine how much heat stress the cattle endured. Heat stress was characterized by temperature-humidity index (THI) for 30 days prior to the animals’ weigh date.

“Heat stress is difficult to quantify,” says Bradford.

The research found that although heat stress may decrease animal growth for a time, animals likely have compensatory gain after heat stress subsides.

Another finding was that weaning weight has the most variation for heat tolerance, making it a trait with opportunity to develop a selection tool for producers to improve their selection process.

“With my groundwork, the research could be implemented in several ways,” Bradford adds.

Angus Foundation-Sponsored Research Projects Cover Gamut of Beef Industry Topics

The Angus Foundation Board of Directors approved three new research projects earlier this year. Here's a synopsis of each of the three projects that will be funded entirely or in part by the Angus Foundation:

1. Evaluating the contribution of tenderness, juiciness and flavor to the overall consumer beef eating experience

This project, conducted at Kansas State University, seeks to determine and quantify the relative contribution of tenderness, juiciness and flavor to the overall beef eating experience; evaluate the likelihood of a beef product failing to meet consumer expectations of tenderness, juiciness or flavor; and identify and quantify the contribution of marbling and fat to tenderness, juiciness, flavor and overall eating experience. Data from more than 12,000 individual beef consumer observations will be analyzed to determine the relative importance of each palatability trait. This study will wrap up at the end of June.

2. Uterine and vaginal microbiome associations with fertility in Angus cattle

Two researchers from the University of Tennessee will seek to discover the role of uterine and vaginal microbes in fertility. The study will identify what microorganisms are present in the uterus and vagina of Angus beef cows; determine whether those microorganisms affect pregnancy; and determine whether those microorganisms are heritable, like the microorganisms in the rumen. A goal of the study is to uncover specific mechanisms around beef cow fertility and establish management strategies to overcome poor fertility. Data collected in this study could be incorporated into genomic-enhanced EPDs such as heifer pregnancy. This study will last through the end of 2016.

3. Impact of selection using residual average daily gain EPD on reproductive and growth performance and carcass traits in Angus cattle

A team of five researchers from the University of Georgia will compare reproductive and growth performance and carcass characteristics in calves from Angus sires that are selected to be divergent in efficiency of gain, using residual average daily gain EPDs. The study would seek to provide information about the value of selecting for production efficiency throughout the various production phases. This project is anticipated to last three years.



Basin Angus Ranch Provides Value,



Photo courtesy of the Stevenson family.

Stevenson family (from left): Trevor and Brittany (Stevenson) Berg; and Nicole, Leisa, Sharon and Doug Stevenson.

The Angus Foundation Heifer Package is one of the Angus Foundation's major annual fundraisers. Each year, prominent Angus breeders donate an elite heifer as part of the Angus Foundation Heifer Package.

The package includes other perks, including 30 days of free insurance from American Livestock Insurance Co., Geneva, Illinois; free transportation to the buyer's ranch provided by Lathrop Livestock Transportation, Dundee, Illinois; and an advanced reproductive technology package from Trans Ova Genetics and its cloning division, ViaGen, Sioux Center, Iowa. All in all, a highly valuable investment.

Giving Back to the Angus Foundation

Donating the female for the Angus Foundation Heifer Package is not new for Basin Angus Ranch. Doug Stevenson, Basin Angus Ranch owner, proudly states that the Stevenson family donated a heifer 20 years ago.

"We thought it was time to do it again," he says. "We think we have something that would be of excellent value."

"We are thrilled that Basin Angus Ranch, Joliet, Montana, is once again donating the female for the Angus Foundation Heifer Package," says Milford Jenkins, Angus Foundation President. "We are so grateful for the Stevenson family's continued support of the Angus Foundation. The female will be an outstanding addition to any Angus breeder's herd."

"The Angus Foundation is important to the long-term success of the breed and the American Angus Association," Doug says. "We want to do everything we can to support the Angus Foundation's mission. We have previously been fairly aggressive supporters of the Angus Foundation: we've donated pregnancies, bought packages in various auctions, made cash gifts and supported in many different ways."

Doug's interest in supporting the Angus Foundation hits close to home, as he's benefitted personally from programs supported by the Angus Foundation. He served on the National Junior Angus Association (NJAA) Board of Directors from 1984 to 1986, and his kids have all been active in the NJAA.

"The Angus Foundation must continue to support important research and the development of new tools and educational programs for membership and leadership programs for juniors and young breeders," Doug says.

Family Affair

Doug's wife, Sharon, works full-time on the ranch with recordkeeping and is also one of the herd's top AI technicians.

"She's a city girl. We met in college and she didn't have any ag experience, but she learned quickly by getting right in the middle of it," says Doug. The couple has three children.

Brittany is in her final year of a pharmacy doctoral program at the University of Montana, and just got married. Her husband, Trevor, grew up on a commercial cattle operation and works on Basin Angus Ranch. Trevor is being groomed to take over the ranch from Doug someday.

Leisa is a junior at Montana State University majoring in agricultural education, while Nicole is a junior in high school.

Shane Whiteman has also worked full-time on the ranch for 16 years. He is involved in helping with production and marketing cattle.

Top-End Performance

By Sarah Hill

History of Basin Angus Ranch

Stevenson Angus Ranch had been around for many years prior to Doug's parents, Wayne and Marion, establishing Basin Angus Ranch in 1973. Doug and his siblings were all involved from the start.

"We started as a small, yet progressive operation," says Doug. "We only had a couple hundred cows at that point. My parents were very lucky that a banker was willing to lend them money to get started."

The Stevenson family worked hard and the ranch grew. Doug took on management decisions while still in high school, including recordkeeping and breeding.

In 1986, Doug graduated with a degree in agricultural economics from Montana State University. He went on to pursue law at the University of Montana, graduating in 1989.

"During college and law school, I continued being involved with the ranch and handling sire selection and making breeding decisions," he says. Doug practiced law for a short period, but returned to the ranch full-time in 1990.

"In the spring of 1994, I took over full-time management of the entire place," he says. By that time, Doug's brother was working on a separate operation, while his sister and brother-in-law continued working at Basin Angus Ranch. In 2010, Doug and Sharon became the sole owners of the ranch.

Doing Things a Bit Differently

"We have 800 purebred cows that are marketed in several ways," says Doug. Two hundred of those cows are kept as part of a herd in Paris, Missouri, and marketed by private treaty from there.

"We've had cows there for 15 years," says Doug.

Basin Angus Ranch hosts an annual bull sale in March and sells a lot of bulls by contract to several long-time, large, progressive, commercial customers.

"We custom develop bulls for those guys," Doug adds. "Some of them have bought bulls from us for 15 to 20 years, and some even longer than that. They've been very closely tied to our program, and we have a long-term plan for those customers. We decide several years in advance what sort of genetics they want next in their herds, and each year, we provide those herds with the bulls they need."

While contract sales might be considered novel in the Angus industry, Doug says the program works well for them.

"Initially with those customers, we tried to have a plan and then sold those bulls at auction," Doug says. "The customers were trying to buy the bulls they wanted the way they wanted and it never quite worked out. So we work closely with those commercial breeders to give them exactly what they need. It's a data-driven selection process, and we get really top-notch cattle by being on a planned system."

Herd Philosophy

Doug points out that the most efficient use of beef cattle is to raise them on land that isn't good enough to be crop ground.

"We've tried to raise the kind of cattle that will have real added value and still breed for cattle that will be able to handle tougher range conditions that we run on and a lot of our customers raise cattle on," he says.

"Where our ranch is located in Montana, we're semi-arid, borderline desert country," Doug says. "Our average moisture, including snow, is 10 to 12 in./year, so we run on really dry conditions. The cattle have to travel for water and feed and have to be able to maintain themselves and do it without supplementation in the summer."

"We feel that if we run our cows in those conditions that, in turn, work for our customers to run their cattle, then we can produce the right kind of cattle for them," Doug adds. "Within that philosophy of raising cattle, we want cattle adapted to low quality forage that are fertile and we've selected for very top-end carcass traits and feedlot performance."



Basin Lucy 6265 - 2017 Angus Foundation Female

Committed to Supporting Angus Youth

Herbster Angus Farms, owned by Charles W. and Judy Herbster, Falls City, Nebraska, has a reputation for honesty, value and customer service. That reputation also includes generosity — which the Angus Foundation and entire Angus industry has benefited from.

“All of the credit for the Angus Foundation’s ability to fund the education, youth and research endeavors for the benefit of the Angus breed and beef cattle industry is due to our extremely generous charitable supporters. Charles and Judy Herbster have truly given from their hearts,” says Milford Jenkins, Angus Foundation President. “We are honored that the Herbsters continue to support the Angus Foundation as an organization that gives back to the Angus breed and agriculture industry.”

Laying a foundation

Herbster Angus Farms was homesteaded in 1847 by Charles’ great-great-grandfather, William McKendry Maddox. At age 11, Charles’ grandmother, Leta Meyers Carico, bought 65 registered Angus cows for him — teaching responsibility, decision-making and wise business practices.

“She had no idea that her initial investment would serve as the foundation for a world-recognized Angus herd,” says Charles. “Our philosophy has always been to acquire the best genetics available and then breed our Angus cattle to improve any weaknesses they possess.”

Herbster Angus Farms today

“Today, the herd is more than 300 strong, and each registered Angus cow is functional, sound and productive,” says Ed Raithel. Raithel and his wife, Mandy, manage Herbster Angus Farms. The couple has been with the operation for 18 years. In addition to the Raithels and their daughter, Miranda, there are four other full-time staff members including Judy’s father, Bob. Together they make sure things run smoothly at Herbster Angus Farms. Vice President Brittany E. Barker works with Charles marketing semen to their customers.

Herbster Angus Farms has a rigid herd management program that sets high standards for each animal as defined by “function categories.” If an animal doesn’t meet those standards, they will not be retained, sold or purchased by the Herbster operation.

The “function categories” include feet and leg structure; fertility; udder quality; growth; maternal excellence; cow longevity and longevity of her lineage; temperament; and production records for both the individual and their dam.

“The herd’s goal is to produce bulls that are profitable for commercial cattlemen and bring value to elite breeders worldwide,” Ed says.

Many of the bulls owned and used by Herbster Angus Farms were purchased from Schaff Angus Valley, St. Anthony, North Dakota, particularly well-known Angus sires Harvester, International, Seedstock and Sensation.

“Our breeding program focuses on maximizing performance,” adds Ed. “We want increased growth, carcass merit and the intangibles—the things that the current EPDs can’t predict, like the function categories.”

“Our goal is to help improve our customers’ herds and ultimately, the Angus breed,” says Charles. “We provide excellent customer service to give the customer more than they expect.”

“The Herbster cow herd rivals the best cattle in the business,” says Ed. “Our cattle have to be functional, profitable and meet the rigorous demands of today’s cattleman. They also have to look good! EPDs are important, but if you’ve got an unattractive cow with an awesome set of numbers, or she has an udder that needs to be milked out—that’s not where we’re going. We want cattle with good EPDs, but the animal has to work for all facets of the industry. Our cattle are doing what the ‘paper cows’ are doing in regards to intramuscular fat (IMF) and ribeye area (REA). Our carcass traits are improving right along with our growth.”

Since 2011, Herbster Angus Farms has hosted an annual bull sale in the spring. The 2016 sale averaged \$11,049. In addition to the sale, the operation markets semen domestically and in 12 countries.

“I make it a point to talk to many of our customers personally,” says Charles. “They are extremely happy with the results they get when using our bulls. Nothing speaks more loudly or boldly than satisfied customers.”

Off-the-farm ventures

The Herbsters also own North American Breeders Inc., in Berryville, Virginia, where 20 of their bulls are collected. Charles is committed to ensuring the legacy of the bull stud’s founders, Tim and Jean Schofield. North American Breeders is known for their semen collection practices and superior quality semen.

The Herbsters have owned the Conklin Company Inc. since 1992. Conklin has five divisions of products, including Fastrack direct fed microbials. Celebrating 30 years in the marketplace, Fastrack supports feed efficiency and appetite for all classes of livestock. The company also markets agriculture products that encompass the AgroVantage System—a world-class crop management program that maximizes profits and increases yields. Herbster Angus Farms uses the Conklin AgroVantage system to raise corn, soybeans, wheat and dairy-

quality alfalfa hay.

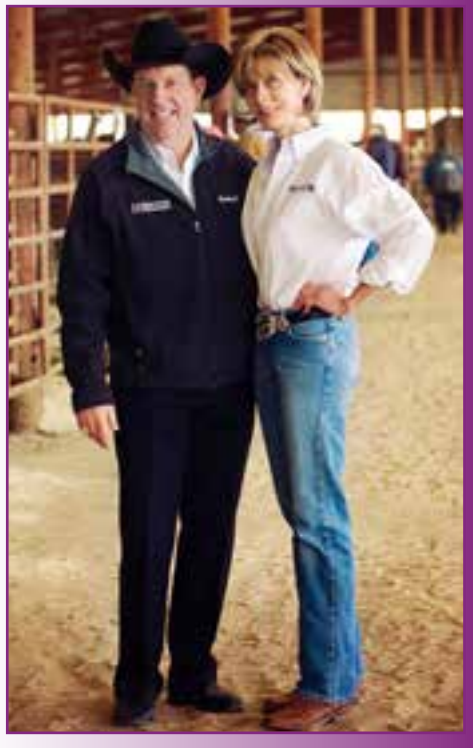
In addition to agriculture, Charles is also passionate about America. He was chosen to serve as the National Chairman of the Agricultural and Rural Advisory Committee for the Donald J. Trump Presidential campaign. Charles works with a group of agricultural leaders and elected officials supporting the Republican Presidential candidate. Charles and Trump have been personal friends for more than a decade.

Charles remains involved in both the Nebraska and National Republican Party and supports presidential candidates, national, state and local elected officials.

Angus Foundation

In 2014, Charles and Judy were named members of the Honorary Angus Foundation for their commitment to the Angus Foundation and the future of the Angus breed.

“I am grateful for the generosity of the heifer donors and their investment in the Foundation,” says Charles. “We are proud to incorporate their genetics into our herd.”



Charles W. and Judy Herbster have continuously supported the Angus Foundation.



Photo courtesy of Herbster Angus Farm.

Herbster Angus Farm staff

For the past four years, Herbster Angus Farms has purchased the Angus Foundation Heifer Package:

- 2016 — SAV Emblynette 5368, \$230,000, donated by Schaff Angus Valley, St. Anthony, North Dakota
- 2015 — 44 Ruby 3839, \$175,000, donated by 44 Farms, Cameron, Texas
- 2014 — EXAR Royal Lass 2068, \$120,000, donated by Express Angus Ranches, Yukon, Oklahoma
- 2013 — Pick of the 2012 spring heifer crop, \$110,000, donated by Connealy Angus, Whitman, Nebraska

The 2016 Heifer Package was the second highest grossing donation in the 36 years the Angus Foundation has offered the opportunity.

Angus Foundation in Action

“Through my projects and membership in the National Junior Angus Association (NJAA) and the wisdom and guidance of my parents and Charles and Judy, I have learned about raising cattle, strategy and hard

work,” says Miranda. “Charles was born and raised on this farm and he realizes the importance of youth being raised in agriculture. Both Charles and Judy believe in our future.”

Since she was old enough to “go along,” Miranda has been on the farm learning the industry. The teen has worked side by side with her parents and been involved in every aspect of the operation. Watching over her the past 16 years, Charles and Judy have seen firsthand the impact the cattle business has had on Miranda.

“You cannot buy that experience; you earn it by doing it,” says Charles.

The passion for Angus that drives Miranda and other youth have inspired Charles and Judy to invest in the NJAA and ultimately, support them through the Angus Foundation.

S. Truett Cathy, the founder of Chick-Fil-A, was a father figure and mentored Charles and Judy in for more than 15 years. Truett lived by and instilled this philosophy in the Herbsters: “My riches are my family and friends. I try to store any material wealth in my hand, not my heart, so that I always feel free to give it away when the opportunity arises.”



Photo courtesy of Herbster Angus Farm.

Lifetime Giving

Lifetime giving donors are the core of the Angus Foundation's support base. These donors are our strength and inspire us to reach even higher levels of giving. The list below recognizes those supporters who have, over the lifetime of the Angus Foundation, contributed \$25,000 or more. These contributions have enabled the Foundation — and its programs — to expand and provide even more support for the future. Their commitment to the Angus Foundation's mission over the years has made a difference in the lives of countless Angus breeders and youth. The Angus Foundation extends its sincere appreciation to the following:

\$1,000,000 and above George Grant Angus Founder

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Jones & Gilliam Angus L.P., MO
Kahn Cattle Company, GA
LaGrand Angus Ranch, SD
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Missouri Junior Angus Association
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Sinclair Cattle Co., Inc., MD
Sugar Hill Farms Inc., AR
Summitcrest Angus, OH
Sysco Corporation, TX
TC Ranch, NE
Trans Ova Genetics, IA
Werner Angus, IL
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\$25,000 - \$49,999 Angus Platinum Benefactor

6666 Ranch, TX
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Basin Angus Ranch, MT
Beaver Ridge Farm, IN
Dick and Diane Beck, GA
Cargill Meat Solutions Corporation
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Da-Es-Ro Angus Farms, IA
Daltons on the Sycamore, VA
Mark and Eva Gardiner, KS
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Texas Angus Auxiliary
Virginia Junior Angus Association
Wehrmann Genetics, VA
Whispering Pines Cattle Co. LLC, AZ
Wilks Ranch, TX
Woodlawn Farms, IL
Zoetis

Angus Night on the Mountain Earns Record \$91,400

More than 500 Angus breeders and friends gathered at Spruce Mountain Ranch in Larkspur, Colorado, on Wednesday, January 13, for Angus Night on the Mountain during the National Western Stock Show (NWSS). Eleven packages and one raffle item generated more than \$91,400 in gross proceeds — a record for this fifth annual event — for the Angus Foundation to benefit its mission to support Angus education, youth and research, as well as two packages raising funds for the 2016 National Junior Angus Show (NJAS) in Grand Island, Nebraska.

“Event hosts and underwriters Tom and Lois Ames of Spruce Mountain Ranch enable the Angus Foundation to provide guests an enjoyable evening to socialize with fellow Angus breeders, purchase Angus genetics, while simultaneously raising money for Angus youth and our organization,” says Milford Jenkins, Angus Foundation president. “Without the Ames’ help and that of all of our package donors and buyers, we would not be able to raise these levels of funds that will impact the Angus Foundation’s initiatives to advance the future of our breed.”



Packages offered to benefit the Angus Foundation were:

Advanced reproductive technology package by Trans Ova Genetics and its cloning division, ViaGen, Sioux Center, Iowa. Purchased for \$3,500 by Riverbend Ranch, Idaho Falls, Idaho.

Angus Foundation Golf Tournament Event Sponsorship at the 2016 NJAS in Grand Island, Nebraska, by the Angus Foundation. Purchased for \$3,500 by NuTech BioSciences, Inc., Cimarron, Kansas.

Weekend package at The Greenbrier Hotel and Resort in White Sulphur Springs, West Virginia, by The Greenbrier Hotel and Resort. Purchased for \$3,500 by Kevin Turecek, Deer Trail, Colorado.

Exquisite cruise for two on Royal Caribbean Cruise Lines by the Angus Foundation and Cotter Travel Associates. Purchased for \$4,500 by Wilks Ranch, Cisco, Texas.

Get-away package at Crazy K Ranch, Michie, Tennessee, by Crazy K Ranch. Purchased for \$6,000 by Teixeira Cattle Co., Pismo Beach, California.

Exclusive two-night stay at the Inn on the Biltmore Estate, Asheville, North Carolina, by the Inn on the Biltmore Estate. Purchased for \$2,750 by Cannon Ridge, Shelbyville, Tennessee.

Two options for transportation for three lots by Lathrop Livestock Transportation, Dundee, Illinois. Both purchased for \$5,000 each by Lylester Ranch, LLC, Martell, Nebraska.

Elite Angus heifer, granddaughter of Blackbird 8809, by Whispering Pines Ranch, Scottsdale, Arizona. Purchased for \$40,000 by Express Ranches, Yukon, Oklahoma.



One day ranch photo shoot by Legacy Livestock Imaging, Topeka, Kansas. Purchased for \$9,000 by Wilks Ranch, Cisco, Texas.

Week of beach relaxation in California by Teixeira Cattle Co., Pismo Beach, California. Purchased for \$7,000 by Crazy K Ranch, Michie, Tennessee.

In addition to the packages sold on behalf of the Angus Foundation, two items were offered in support of the 2016 NJAS and host states, the Nebraska and South Dakota Angus Association. The original artwork, *The Good Life*, donated by artist Amanda Raitchel, and the No. 1 artist proof contributed \$9,500 to the upcoming NJAS. The original was purchased for \$5,000 by Herbster Angus Farms, Falls City, Nebraska, and the No. 1 print was purchased for \$4,500 by Cotton and Associates, Howell, Michigan.

The evening also included several featured lots on display and up for auction from Spruce Mountain Ranch’s top Angus genetics and guest consignor Black Gold Genetics of Robinson, Illinois. The National Junior Angus Board (NJAB) hosted a raffle where James Coffey of Branch View Angus, Hustonville, Kentucky, won a personalized engraved 12-inch (in.) x 12-in. granite paver in the new Building an Angus Legacy entrance walkway at the American Angus Association headquarters in Saint Joseph, Missouri.

Assisting the Angus Foundation in event management is Larry Cotton and his team at Cotton & Associates. Those working the ring were Terry Cotton and Jay Nordhausen, *Angus Journal*®; Alan Sears, Western Ag Reporter; Jim Gies, Western Livestock Journal; and Juston Stelzer and Delvin Heldermon.



Three Couples Inducted Into Honorary Angus Foundation

By Sarah Hill



The NJAA inducted Kelly and Martie Jo Schaff and Joe and Susanne Bush into the Honorary Angus Foundation during the 2016 National Junior Angus Show. Pictured are (from left) Charlie Boyd, Past Angus Foundation Board Chairman; Kelly Schaff and Kourtney Schaff, recipients; Jera Pipkin, Miss American Angus; Joe and Susanne Bush, recipients; Evan Woodbury, retiring NJAB Angus Foundation director; and Milford Jenkins, Angus Foundation president.

Bob & Becky Tiedeman — Enthusiastic volunteers Bob and Becky Tiedeman have a long history of Angus Foundation support. The Tiedemans have been dedicated to the sale of the Angus Foundation Heifer package for many years. Whether encouraging fellow Angus enthusiasts to buy the heifer package or fit and prepare the heifer for the day of the sale, Bob and Becky are champions of the Angus Foundation's mission. "Bob and Becky are always finding a way to give back to the Angus breed and help our Angus youth," says Milford Jenkins, Angus Foundation president. "They love this industry and promoting what it stands for."

The Tiedemans have also generously made cash gift donations to the Angus Foundation and been active in the organizations fundraising activities by donating and buying items in the Angus Foundation's silent auction held at the National Junior Angus Show. Support for the Angus Foundation is a family tradition for Bob and Becky, as Becky's father Jim Baldrige, purchased the first two Angus Heifer Packages in 1980 and 1981. The Jim Baldrige Outstanding Leadership Award program is named after Becky's father for his history of support for the Angus Foundation and the National Junior Angus Association (NJAA).

Joe & Susanne Bush — United States Army veterans, Joe and Susanne Bush are no strangers to service for a worthy cause. They hope to pass on their passion for the Angus business to the next generation of Angus breeders. "We like to watch the kids as they take care of their animals," Joe says. "The experiences they gain and the foundation it builds for them to go and be more productive adults is easily seen." The couple finds pride in helping youth wherever they can, and believe in the lessons learned from being involved in the agricultural community. They also recognize the importance of education and how it benefits those who will carry on the Angus breed and agriculture industry. To further their vision of supporting youth and education in the Angus industry, Joe and Susanne have named the Angus Foundation as the primary charitable beneficiary for the bulk of their estate. This year, Joe and Susanne awarded the first scholarship from the Joseph and

Susanne Bush/J&S Angus Scholarship Endowment Fund that they started in 2015 with a cash gift to the Angus Foundation.

"Joe and Susanne have made sure that everything they've worked for will go on to benefit the greater good," says Milford Jenkins, Angus Foundation president. "They definitely inspire youth with their commitment to the Angus breed and beef industry."

Joe and Susanne started their registered Angus herd in 2008, and both work full-time off the farm. Joe is a former FFA member and worked on farms as a teenager. He retired from the U.S. Army after serving for 20 years at home and abroad. Susanne served in the U.S. Army for 24 years as a soldier and contractor for the Department of Defense.



Bob & Becky Tiedeman

Kelly & Martie Jo Schaff — Kelly and Martie Jo Schaff have continued to build upon a legacy that started in 1902 as the fourth generation at Schaff Angus Valley in St. Anthony, North Dakota. They realize the importance of future generations of Angus breeders as they have continued to build their herd around the nine original cow families Kelly's great-grandfather brought to the ranch.

Earlier this year, the Schaff family made a generous contribution that showcased their belief in the young people who will lead the Angus breed in the future. They donated the heifer that sold in the Angus Foundation Heifer Package during the 2016

National Western Stock Show in Denver, Colorado. The sale of SAV Emblynette 5368 generated \$230,000 to support Angus youth, education and research.

"We realize the importance of a new generation," says Kelly Schaff. "That's the future of the breed. Being able to help these young people ensures the ongoing success of the breed and giving back to an organization and breed that has been so wonderful to us."

Kelly and Martie Jo are very passionate about the Angus breed and providing opportunities for young people to get involved in the business they love," says Milford Jenkins, Angus Foundation president.

Golfers Raise More Than \$16,000 for the Angus Foundation



Flight 1 winners are (from left) Jim Purfeerst, Matt Purfeerst, Mark Purfeerst and Lynn Ewald.



Flight 2 winners are (from left) Cody Washam, Rick Washam, Dereck Washam and Roger Behlmann.

Seventy-nine golfers participated in a golf tournament on July 5, 2016, sponsored by the Angus Foundation at the Indianhead Golf Club in Grand Island, Nebraska, raising \$16,677 in gross proceeds for education, youth and research. The 16th Annual Angus Foundation Golf Tournament was hosted in conjunction with the 2016 National Junior Angus Show (NJAS), also in Grand Island, Nebraska.

“We are so appreciative of the folks who continue returning to the Angus Foundation golf tournament year after year as sponsors and players,” says Milford Jenkins, Angus Foundation president. “These Angus enthusiasts are helping provide for our breed’s future. As one of our fun and relaxing fundraisers, our goal is for everyone who plays and participates to have an enjoyable time golfing while knowing they are supporting a worthwhile cause.”

Golf tournament winners this year in Flight one included Jim Purfeerst, Matt Purfeerst, Mark Purfeerst, all of Faribault, Minnesota, and Lynn Ewald of Waldorf, Minnesota. Flight two winners were Cody Washam, Rick Washam and Dereck Washam, all of Pierce City, Missouri; and Roger Behlmann of Saint Paul, Missouri. Flight three winners were Mary Greiman, Garner, Iowa; Cody Jensen, Plainfield, Iowa; and Alan Jensen and Joelle Jensen, North English, Iowa.



Flight 3 winners are (from left) Mary Greiman, Cody Jensen, Joelle Jensen and Alan Jensen.

2016 tournament event sponsors were KNS Animal Nutrition and NuTech. Hole-in-one sponsors were Paul and Lynn Hill; Sarah and Jason Schaffer; and Neenah and Alok Jain, all of Bidwell, Ohio. Clubhouse sponsors were Nancy Grathwohl Heter, Zoetis Cattle Genetics Specialist and Ron and Lisa Colburn, Colburn Cattle Company, Visalia, Calif. Tee box sponsors were Greiman Family Angus, Garner, Iowa, and Jensen Angus Farm, Plainfield, Iowa.

Hole sponsors include:

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Rogen Angus, Brandon, S. D.
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Schnoor Sisters, Chowchilla, Calif.
Stehr Land & Cattle, Altus, Okla.
Sydenstricker Genetics, Mexico, Mo.
The Wagner Girls, Billings, Mont.
Tokach Angus Ranch, St. Anthony, N. D.
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Flag sponsors included:

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Harry H. Bachman, Auctioneer, Annville, Pa.
Hacienda Angus, Selma, Calif.
Henricks Cattle Company, Anadarko, Okla.
Michigan Angus Association
Silveira Brothers, Firebaugh, Calif.
Tree Lane Farms, El Paso, Ill.
University of Nebraska Livestock Judging Team
Woodbury Farms, Quenemo, Kan.

In addition, Sysco Lincoln, Lincoln, Nebraska, provided Certified Angus Beef® (CAB®) steaks for the tournament awards luncheon. Slate Group, Lubbock, Texas; assisted with the printing of the signs and banners for the tournament.

Evan Woodbury, Foundation director on the National Junior Angus Association Board (NJAB) from Quenemo, Kansas; and Braden Henricks, NJAB director from Anadarko, Oklahoma, served as this year’s masters of ceremonies.

Cultivating the Leaders of Tomorrow

By Sarah Hill



Esther McCabe

A strong foundation rooted in the National Junior Angus Association (NJAA) has launched Esther McCabe into career aspirations of teaching youth on the university level.

Raising Cattle as a Family

For McCabe, growing up on her family's Angus cattle operation in Elk City, Kansas, was very family-focused. "The entire family was there every day—my parents and three other siblings," she says. "It's fun when you do things together, like building hotwire fence and moving hay bales off the field in the summer."

The McCabe family certainly had plenty

to keep them busy. In addition to 750 registered Angus cattle, they also raised 1,600 commercial cattle and 200 registered Herefords on 5,500 acres of pasture and row cropped 1,100 acres of wheat, sorghum and corn silage.

Summers for McCabe were busy showing cattle, pigs and horses in 4-H, FFA and exhibiting at the National Junior Angus Show (NJAS). McCabe's involvement in the NJAS started in the showing, gradually expanding to quiz bowl. By middle school, she was involved in the cook-off and other team contests. In high school, she took on public speaking and extemporaneous speaking.

"Being able to stand in front of a crowd and talk and communicate and work as a team, those are valuable life skills," McCabe says.

Angus Foundation Activities Add Value

"The Angus Foundation does so many things in addition to providing scholarships for Angus youth," she adds. "By providing educational opportunities and experiences through internships and leadership events such as LEAD, the Angus Foundation is cultivating the leaders of tomorrow."

For McCabe, the biggest asset she gained from her NJAA experiences were connections with other young people in the Angus business.

"That's what it's all about in this industry — the connections," she says. "When I'm traveling in another state, if I need anything, there's always someone I can call or stop by and visit."

All those experiences earned McCabe an Angus Foundation general scholarship and twice receiving the Talon scholarship. She put those scholarships toward her bachelor's degree in Animal Science from Kansas State University. Today, McCabe is continuing her education at Kansas State University, pursuing a Master's in Animal Science, focusing on beef systems management and reproductive physiology.

"I want to get a solid foundation in multiple areas across the board," she says. "Ultimately, I'd like to be back in a university setting as an Animal Science instructor." McCabe's efforts earned her a graduate level scholarship from the Angus Foundation as well. It's an honor she says has taken immense pressure off her financially.

"The Angus Foundation scholarships have helped me to be able to finish my bachelor's education debt-free, with no student loans," McCabe says. "Not having that pressure and having to pay it back, I'm able to keep moving forward and looking toward the future."

McCabe, like all Angus Foundation scholarship recipients, is exceedingly grateful to Angus Foundation supporters.

"Thank you doesn't even begin to cover what I feel," she says. "A lot of kids rely on that support and pursue these scholarships to help further their education. By supporting Angus youth, the Angus Foundation is helping to build the future leaders of the Angus breed and beef industry."

Resource Development Committee

Angus Foundation President Milford Jenkins introduced the futuristic concept Angus Foundation 2020 in June 2013 and encouraged the Angus Foundation Board of Directors to embark on a long-range strategic planning exercise to identify opportunities for the organization to even better service the ever-increasing education, youth and research needs of the Angus breed and beef cattle industry in the years ahead. The board deemed this a high priority and encouraged Angus Foundation staff to proceed.

As a result of that strategic planning, the Resource Development Committee was formally established in June 2015 to assist the Angus Foundation Board of Directors and staff to raise funds for education, youth and research.

The Resource Development Committee members will be inviting their Angus breeder peers and friends to join them in philanthropically supporting the Angus Foundation through major unrestricted or restricted charitable gifts.

The committee is composed of six Angus breeders and three allied industry representatives:

Dick Beck, Three Trees Ranch, Sharpsburg, GA

Charles W. Herbster, Herbster Angus Farms, Falls City, NE

Richard Jenkins, Merial, Abingdon, VA

Curtis Long, Briarwood Angus Farms, Butler, MO

Bob McClaren, 44 Farms, Cameron, TX

Jim Miles, Merck Animal Health, DeSoto, KS

Dwight "Kip" Palmer, Palmer Food Services, Rochester, NY

Eddie Sydenstricker, Sydenstricker Genetics, Mexico, MO

Becky Tiedeman, Baldridge Company, North Platte, NE

Some examples of resource development priorities and goals that the Resource Development Committee will be working on include the National Junior Angus Association Board of Directors, Leaders Engaged in Angus Development Conference, Raising the Bar Conferences, Beef Leaders Institute, Cattlemen's Boot Camps and research projects. These entities are currently funded by unrestricted gifts to the Angus Foundation, so these activities are available for benefactors to endow or provide annual support.

Chris Stephens Joins Angus Foundation Staff



Chris Stephens

Wesson, Mississippi, native Chris Stephens joined the Angus Foundation as its new assistant director of development on July 1. In his new position, Stephens will assist the Angus Foundation in fundraising to help achieve the organization's mission of advancing education, youth and research for the Angus breed and American Angus Association® members.

Stephens received his bachelor's degree in agricultural communications from Oklahoma State University in 2002, and possesses a strong, professional skill set in leadership and fundraising in the beef cattle industry. Most recently, Stephens served as director of operations for EE Ranches Inc., in Dallas, Texas. In his position, Stephens managed a major ranching enterprise consisting of five ranches in four states.

Previously, Stephens also served as development officer for the College of Veterinary Medicine with the Kansas State University Foundation, where he assisted in securing high-level gifts of \$10,000 to \$1 million. Prior to that role, he also served as executive director of the Hereford Youth Foundation of America, where he developed and executed the organization's \$5 million scholarship endowment campaign; and as director of

youth activities with the American Hereford Association.

"Chris will be a tremendous addition to our Angus Foundation team. His professional experiences in the purebred beef cattle industry, coupled with his successful fundraising record, will be invaluable in our organization's efforts to even better meet the increasing education, youth and research needs of our Angus members," said Milford Jenkins, president of the Angus Foundation. "He shares in our strategic vision for the Angus Foundation's future, and he'll play a crucial role in our charitable resource development activities and carrying out our mission."

"The Angus Foundation has a successful history in development and support of its mission to advance the Angus breed," Stephens said. "I am excited about helping to implement new strategies for growth and support for the foundation and creating greater awareness for our mission: youth, education and research."

In Memoriam

The Angus Foundation honors those Champions of the Angus breed who have served the industry so well:

Donna Sitz Arthun
Marion Barnett, Jr.
Elizabeth Coon
Patrick "Pat" Goggins
Eugene "Doc" Hinds
Bennett "Ben" Houston

John Jarrell
David McMahan, Sr.
Ray Plumb, Jr.
Murl Richardson
Harlan Ritchie
Raymond Roth

A hundred times every day, I remind myself that my inner and outer lives are based on the labors of other men, living and dead and that I must exert myself in order to give in the same measure as I have received. – Albert Einstein

2016 Fiscal Year Giving

This list recognizes supporters from October 1, 2015, through September 30, 2016. Their commitment to education, youth and research further strengthened the Angus Foundation's service to the Angus breed. The Angus Foundation extends its sincere appreciation to the following:

\$1,000,000 and above
George Grant Angus Founder
The Talon Ranch, MT

\$500,000 - \$999,999
Angus Visionary
None

\$250,000 - \$499,999
Angus Leader
None

\$100,000 - \$249,999
Angus Builder
Herbster Angus Farms, NE
Schaff Angus Valley, ND

\$50,000 - \$99,999
Angus Patron
Certified Angus Beef LLC, OH

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Teixeira Cattle Company, CA
Whitestone Farm, VA
Wilks Ranch, TX

\$5,000 - \$9,999
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Sierra Meat & Seafood, NV
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Zoetis, NJ

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Alabama Angus Association
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TC Ranch, NE
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Little Cedar Cattle Co., MI
Maplecrest Farms, OH
Maryland Junior Angus Association
Mason Valley Cattle Co., AR
Mike McCully, IL
MCS Cattle Company, OK
Merial Animal Health, GA
Michigan Angus Association
Mississippi Angus Association
Missouri Junior Angus Association
MM Cattle Company, GA
Montgomery Farms, AR
Neal Ranch, MT
North Dakota Junior Angus Association
John O'Dell, WV
Carl Oeder Farms, OH
O'Neill Angus Farm, IA
Paradox Farms, KS
Pfeiffer Angus Farms, OK
Poe Farms, GA
Poss Angus, NE
Premier Angus Genetics, AL
RB Angus, ID
Rock Signs of NE, LLC, NE
S & B LLC, LA
Doug Satee Angus, TX
Jason and Sarah Schaffer, IN
Schiefelbein Angus Farm, MN
Gordon and Anne Patton Schubert, KY
Seldom Rest Farms, MI
Slate Group, TX
Lane Smith Farms, MS
Sonderup Angus, NE
Spade Land & Livestock, LLC, WV
Spur Ranch, LLC, OK
Chris and Suzanne Stallo, MO
Stehr Land & Cattle, OK
Jim and Lori Stickley II, OH
Josh Sundsbak, ND
Sunrise Sunset Farm, IN
The DLX, OR
Lynnelle Thompson-Zimmerman, OH

Tokach Angus Ranch, ND
Triple 3 Bar S Angus, KS
Triple T Angus, WV
Trowbridge Angus, NY
Tumble T Bar T, SC
Turner Meadow Ranch, TX
Turning Point Angus, VA
Walkingstick Ranch, OK
White River Cattle Company, AR
Clay Williams, GA
Winding River Angus, MT
Wisconsin Junior Angus Association
Woodbury Farms, KS
Yon Family Farms, SC

**\$100 - \$249
Angus Partner**

All Star Angus, IL
Allflex USA, Inc., TX
American Simmental Association, MT
Atkinson Farms, NC
B&C Farms Inc, MT
B&K Cattle Company, PA
Harry H. Bachman Auctioneer, PA
Big Creek Ranch, OK
Blanton Farms, AR
Bluff View Farms, IL
Julie Blumer, MN
Bart Boeckman, OK
Bonner Branch View Farm, WI
Austin Brandt, IA
Brennand Ranch, NM
Clint Brightwell, MO
Brockmann Farms, IA
Jeff, Shelley, Emily and Ella Brooks, IL
Luke A. Broulik, MN
C.J. Brown Studios, IL
Bruner Angus, TX
Bush Angus, SD
Buzzard Hollow Ranch, TX
Cannon Valley Ranch, MN
Carrie's Cattle Company, IN
Carter Angus Farm, SD
Jerry and Ellen Cassady, MO
Central Oregon Livestock Auction, Inc., OR
Chestnut Angus, MN
Clay Creek Corrals, OK
Clearwater Farm, MO
Cole Cattle Company, AR
Collison Embryo, IA
Greg Connell, MO
Jim and Brenda Cook, ND
Crawford Auctions, Inc., MO
Dawson Dal Porto, CA
Glenn Davis,
Wayne Denowh, MT

Double "A" Angus, FL
DP Sales Management, KY
Jason and Ronda Driskill, IA
DS Ranch, OK
E.I. Medical Imaging, CO
Engel Cattle Farms, IL
Royce Erdman, SD
Erdmann Angus, SD
Estroct, WI
F6 Cattle Company, AZ
Fitzgerald Brothers, PA
Flying A Cattle Company, IA
Chad Ford, SD
Four Corners Farms, IL
Vern and Corinne Frey, ND
Frey Angus, OK
Ron Frye Marketing, MT
Scott and Val Gaffney, WI
Taylor Gazda, GA
Aubrey Geitz, CO
Art Glasoe, ND
Bruce and Kendra Gordon, SD
Nancy Grathwohl Heter, KS
Adam Graven, TX
Green Mountain Angus Ranch, MT
Kurt Greiman, IA
Chuck and Ruth Grove, VA
Guess Cattle Co. LLC, CA
Gustin Land & Cattle, VA
Richard and Deb Hall, IA
Jodi Hartin, OK
Heritage Farm, KY
Hidden Valley Angus, NE
Highland Farms, Ltd., OH
Hobby Horse Farm, MD
Hoffman Angus, IL
Horstmeyer Farms, WI
Houks Angus, IA
Hunter Angus, MO
Dustin and Jeana Hurlbut, SD
Indiana Junior Angus Association
Iowa Junior Angus Association
Kent Jaecke, OK
JALE Angus/Marshall &
Ann Simpson, MO
JC Angus Farm, MN
Don Johnson's Angus, KS
Jorgensen Farms, NE
Kurt Kangas, MT
Patrick and Pamela Kastl, MI
Myron Kennedy, MD
Kentucky Junior Angus Association
KFEC Research & Development, KY
Kiesewetter Angus, IA
Steven Lastovica, TX
Lewallen Land & Cattle Co., CA
Maple Lane Angus, MO
Martin-Trudeau Insurance, SD

McDaniel Farm, MS
Meldon Farms, GA
Moore Angus Farms, IA
Musgrave Angus, IL
National Junior Angus Association
Board of Directors 2016
Naylor's Angus, MO
Nebraska Junior Angus Association
North Carolina Junior Angus
Association
Ohio Junior Angus Association
J. Neil Orth, MO
Ralph and Mary Owen, SC
Frank Padilla, CO
Paradise Valley Land & Cattle LLC, MO
Pearl Ridge Angus, CA
Pennsylvania Junior Angus Association
Jonathan and Jackie Perry, TN
Pine Hill Farm, OH
Pleasure Acres LLC, NY
Potts Bros. Farm Inc., GA
Reamer Farms, PA
Reisig Cattle, MT
Clifford and Leah Rippetoe, CA
Riverbend Management, Inc., ID
Rock Creek Livestock, SD
Rock Ridge Farms, KY
Rose Valley Angus, OH
Rosman Angus, WA
Rowlett Cattle, TN
S4 Ranch, TX
Sauk Valley Angus, IL
Nancy Sayre, MD
Scharpe Angus LLC, MN
Ray Settle, KY
Shilo Farms, IL
The Showtimes Magazine, CO
Silveira Bros, CA
Silvey Angus Ranch LLC, TX
Sitz Angus Ranch, MT
South Dakota Junior Angus Association
& South Dakota Angus Auxiliary
Jacob Steph, TX
Steve and Kris Sticken, MO
Stoffels Glenview Farm, NY
Diane Strahm, MO
Stuart Land & Cattle Co., VA
Styles Angus, SD
Superior Livestock Auction, LLC, CO
Blake Sweeter, SD
Tennessee Junior Angus Association
Texas Junior Angus Association
Julie Ann Thelen, MI
Thornberry Angus, WI
Tractor & Equipment Co., MT
Triple M Beef, NC
Twin Mills Angus Ranch, NE
Uhlenhake Cattle Company, OK

University of Nebraska Livestock
Judging Team, NE
Vantage Cattle Company, IL
Sam Wallace, MO
Wayback Angus, TN
Ben Weinheimer, TX
Chad Wilson, IN
Woodhill Farms, WI
York Farms, IL

\$1 - \$99
Angus Friend

4 Cattle Company, PA
4 S Farm, TX
4P Angus Ranch, NV
519 Farm, VA
A & L Ranch, TX
Alderhurst Farms, WA
Anderson Cattle Company, CO
William H. Aspinall III, WV
Steve and Judy Barbera, ID
John and Gay Barton, KS
BEEF Magazine, KS
Shaila Bennett, NE
Dawn Berry, CO
Black Knight Cattle, AL
BNG Cattle Company, TX
Bryce A. Bowman, VA
Brooks Haven Farm, IN
Bugscuffle Farms, AR
Darrh Bullock, KY
Burns Angus, IA
C & R Caudill Farm Inc, NC
Call Cattle Company, IA
Cameo Farms, KS
John Carlson, NE
Jennifer Carrico, IA
Circle L Angus, MT
Cochrane Angus, NC
Adam Conover, MO
Corbin Cowles, KY
CR Cattle, TX
Dameron Angus Farm, IL
Jason Deel, VA
Denny Cattle Company, TX
Richard Dyar, AL
Emerald Angus, OR
Fancy Free Farm, TN
Brian Fitzgerald, KS
Ryder Flener, IL
Florida Junior Angus Association
Flying R J Ranch, CA
Friendly Hill Farm, NY
Full-Day Enterprise, MD
Gazda Cattle Company, GA
Gilbert Cattle Company, MO

Sue Gleckler, IL
Hunter Nicole Glisson, FL
Goforth Angus, NC
Jory Hansen, ND
Baily Harsh, IL
Annette Hattner, IL
Heartrock Ranch, MO
Hidden Valley Angus, OH
Hillside Angus Ranch/Dereck Washam, MO
Hilton Farms, OK
Hoak Angus Farms, MO
Hope Cattle Services, NC
Indiana Angus Association
J6 Ranch, AZ
Chris Jeffcoat, PA
Casey and Kayla Jentz, WI
Jerz Angus Farms, MI
Kentuck Farms, IL
Darren Kilgore, TN
Matthew Kohl, WI
Jody Lamp, MT
Lucky D Farms, WA
Charles P. Mann, MI
Mason Angus, NE
MB Genetics, Inc., WI
McCauley Angus, KY
McClarnon Stock Farm, IN
McGuire Cattle Company, AL
Michigan Junior Angus Association
Minnesota Junior Angus Association
Bobby and Sandra Mitchell, AR
MLK Angus, MT
Bert Moore, IA
Alice Muir, MT
Mussman Angus, IL
Gary and Lynette Nelson, NE
Jay and Abbie Nordhausen, NE
Robert and Donna Olesh, NE
Pfeiffer Farms, OK
Pohlman Angus, AR
Prairiedge Angus, IA
Professional Cattle Consultants, OK
Purfeerst Farms, MN
Larry and Nancy Raney, IA
Rasmussen Bros./R B Angus, NE
Red Angus Association, TX
Rishel Angus, NE
Rock Creek Angus, IL
Rockin' C & E Ranch, CA
Rocking H Ranch, KS
Leslie Roye, AR
Phillip and Dana Rozell, AR
Ryan and Francis Ruppert, NE
Clinton and Madeleine Rusk, OK
RZ Ranch, FL
S & V Cattle Co, NE
Sampson Cattle Company, MO
Schaff's Angus Ranch, ND

Norman Schenk, KY
Sellers Cattle Company, AR
Shanahan Cattle Promotions LLC, NY
Tim Sheperd
Sims Station Farms LLC, SC
Small Cattle Farms, IN
Quintin Smith Family Angus, TN
South Dakota Junior Angus Association
Christopher Stephens, MO
Stith's Big D Angus, KY
Ken Straw Family, TX
Sunny Down Acres, PA
Sunset Hills Farm, VA
Suntree Farm, IA
Jeremy Taylor, MO
Mary Taylor Cowles, KY
The CUP Lab, LLC, IA
Radale and Breann Tiner, TX
Alex Tolbert, KY
Tom Brothers Ranch, TX
Triple Y Farms, KY
Jake Troutt, ID
Reece Tuckwiller, NE
Twin Falls Angus, KS
Two Brothers Angus, KY
Valley Springs Farm, WI
Annie and Cheramie Viator, TX
John and Marjorie Vipham, NV
Maryln Vogege, MT
Norman Walker, WV
Austin Wallace, IN
Ron and Joy Wetsch, MT
Josh and Jennifer Winegarner, TX

Notes and Disclaimer: In addition to the donors listed, the American Angus Association® also supported the Foundation in the amount of \$337,500 to endow fundraising activities and support educational conferences and youth events.

Lifetime giving and fiscal year giving donor recognition levels include contributions from cash and gift-in-kind donations. Items donated and sold at auctions are included at the cash sales value for both the donor and the buyer. If an item is sold in conjunction with other in-kind donations, the gift value of an individual item is established at its estimated retail value.

Donor recognition is not a validation of amount claimed by donor for income tax charitable deduction purposes. Merchandise purchases are not recognized in the donor recognition program. Sponsorships are recognized at the marketed level.

We appreciate your generous support of the Angus Foundation, and we want to recognize you accordingly with 100% accuracy. If we have made an error, please contact the Angus Foundation at 816-383-5100.

Use of Funds

With the help of numerous donors and allied industry interests, the Angus Foundation continues to see stability, growth and sustainment of supporter levels. A true testament to the “Champions” of the Angus Foundation.

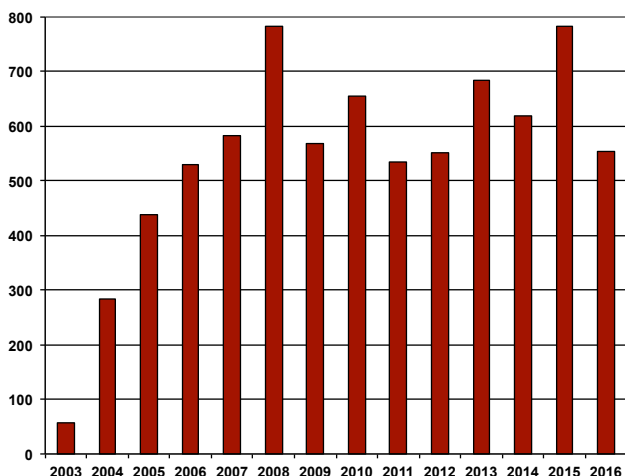
With total revenue of \$2,568,611 this fiscal year ranks in the top two for the Angus Foundation since its inception in 1980. Total assets of \$19,406,732 reflects solid growth this fiscal year.

The Angus Foundation contributed funds totaling \$787,099 to support youth, education and research activities.

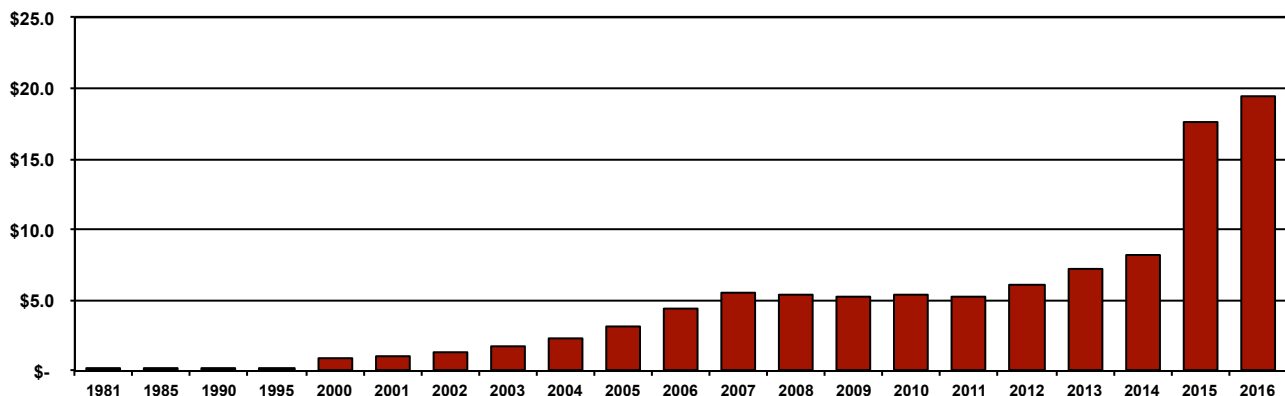
Through generous charitable gifts from Angus breeders, allied industry interests and friends, the next fiscal year can continue its focus on what lies ahead.

Angus Foundation Donors

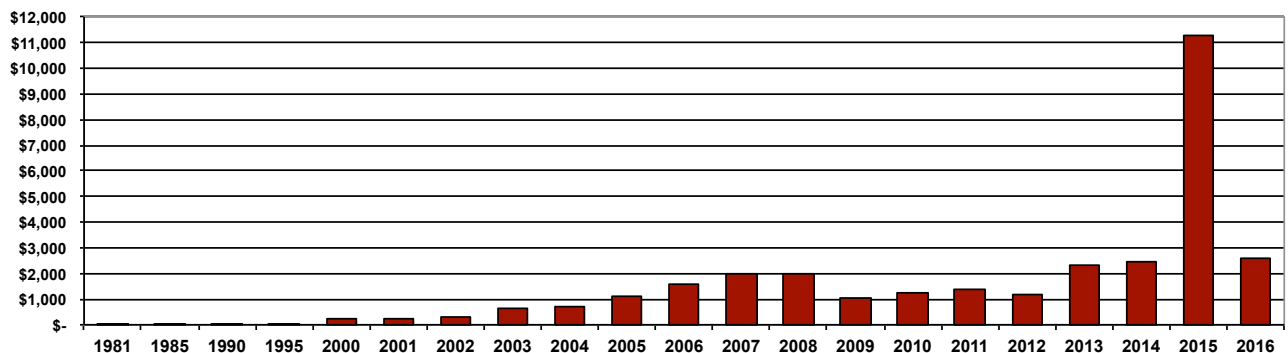
2003-2016



Angus Foundation Assets (in millions)



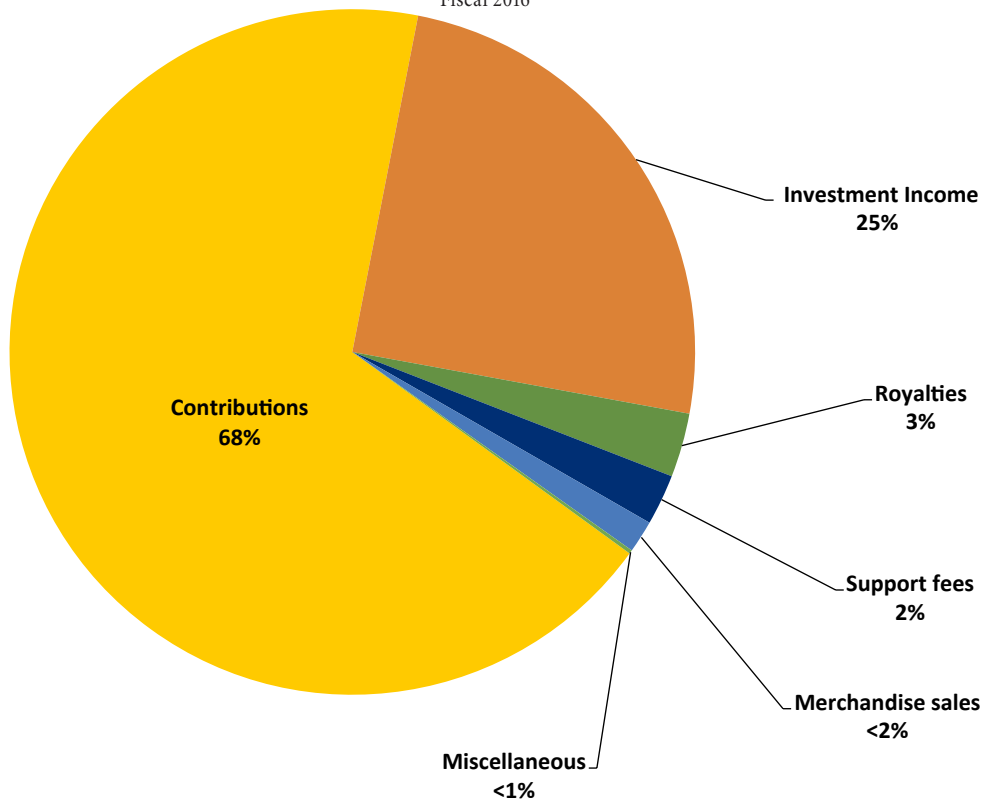
Angus Foundation Revenue (in thousands)



Use of Funds

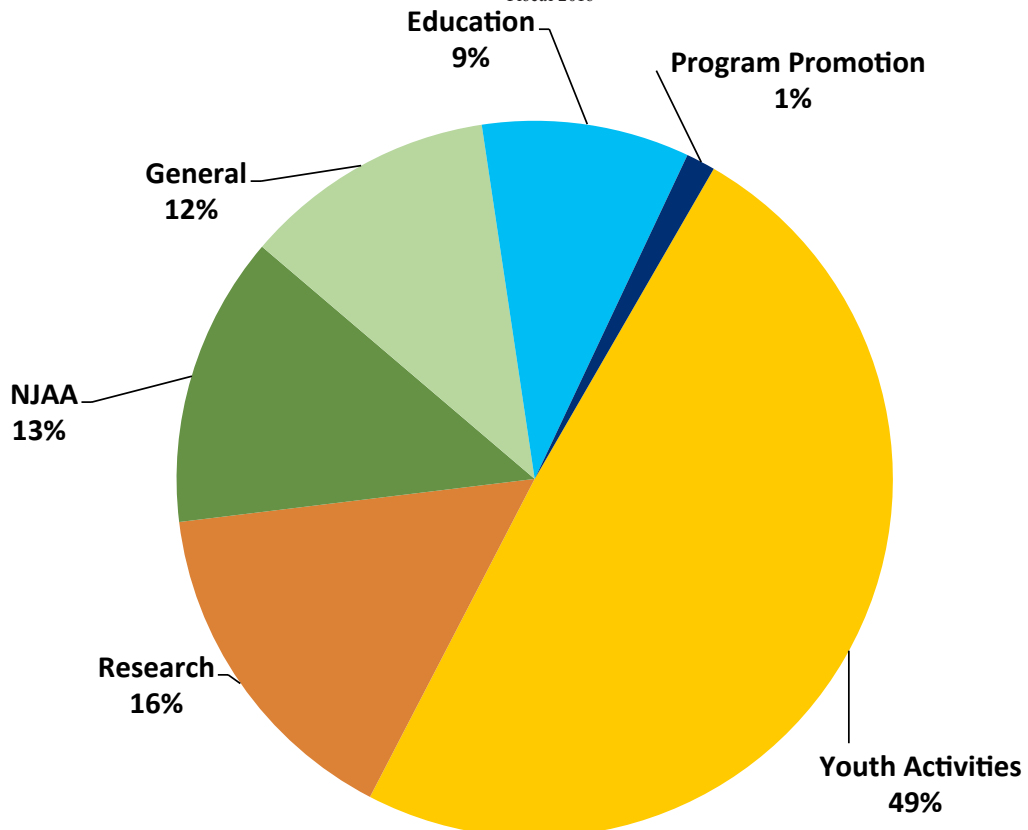
Foundation Revenue Sources

Fiscal 2016



Programs Funded by Foundation

Fiscal 2016



Financial Statements

Independent Auditor's Report

Board of Directors
Angus Foundation
Saint Joseph, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Angus Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angus Foundation as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Clifton Lasswell LLP

Saint Joseph, Missouri.
October 14, 2016

Angus Foundation Statements of Financial Position

September 30, 2016 and 2015	2016	2015
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 336,735	\$ 207,862
Accounts Receivable	6,339	9,191
Pledges Receivable,		
Net - Current Portion	347,900	3,588,192
Inventories	77,833	89,506
Prepaid Expenses	18,793	35,552
Total Current Assets	787,600	3,930,303
Investments		
Unrestricted	639,350	968,411
Board Designated	1,818,060	1,602,048
Temporarily Restricted	3,967,379	3,118,808
Permanently Restricted	12,191,683	7,932,849
Total Investments	18,616,472	13,622,116
Long-Term Pledges Receivable – Net	<u>2,660</u>	<u>4,650</u>
Total Assets	<u>\$ 19,406,732</u>	<u>\$ 17,557,069</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable - Trade	\$ 107,338	\$ 209,558
Accrued Liabilities	33,276	28,091
Total Current Liabilities	140,614	237,649
Long-Term Liabilities		
Accrued Post Retirement Benefits	22,000	21,000
Total Liabilities	162,614	258,649
Net Assets		
Unrestricted:		
Operating	899,492	846,902
Board Designated	1,897,475	1,675,953
Temporarily Restricted	3,991,518	3,160,711
Permanently Restricted	12,455,633	11,614,854
Total Net Assets	19,244,118	17,298,420
Total Liabilities and Net Assets	<u>\$ 19,406,732</u>	<u>\$ 17,557,069</u>

See accompanying Notes to Financial Statements.

Angus Foundation Statements of Activities and Changes in Net Assets

Years Ended September 30, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT								
Contributions	\$ 578,643	\$ 359,845	\$ 830,630	\$ 1,769,118	\$ 459,365	\$ 406,248	\$ 9,841,637	\$ 10,707,250
Royalties	78,510	-	-	78,510	73,336	-	-	73,336
Other Revenue	4,498	-	-	4,498	4,397	-	-	4,397
Merchandise Sales	39,686	-	-	39,686	37,753	-	-	37,753
Net Investment Income	152,759	491,840	-	644,599	154,753	284,086	-	438,839
Support Fees	32,200	-	-	32,200	6,575	-	-	6,575
Net Assets Released from Restrictions:	886,296	851,685	830,630	2,568,611	736,179	690,334	9,841,637	11,268,150
Satisfaction of Purpose Restrictions	566,318	(566,318)	-	-	542,337	(542,337)	-	-
Change of Donor Restrictions	(4,545)	(5,604)	10,149	-	-	-	-	-
Total Revenues, Gains and Other Support	1,448,069	279,763	840,779	2,568,611	1,278,516	147,997	9,841,637	11,268,150
EXPENSES								
Program Services	787,099	-	-	787,099	863,824	-	-	863,824
Marketing and Promotions	304,989	-	-	304,989	345,684	-	-	345,684
Operations and General Expenses	227,778	-	-	227,778	226,645	-	-	226,645
Total Expenses	1,319,866	-	-	1,319,866	1,436,153	-	-	1,436,153
Changes in Net Assets before Provision for Post Retirement Benefits and Net Unrealized Gain (Loss) on Investments	128,203	279,763	840,779	1,248,745	(157,637)	147,997	9,841,637	9,831,997
PROVISION FOR POST RETIREMENT BENEFITS	(1,000)	-	-	(1,000)	-	-	-	-
NET UNREALIZED GAIN (LOSS) ON INVESTMENTS	146,909	551,044	-	697,953	(178,682)	(413,828)	-	(592,510)
CHANGES IN NET ASSETS	274,112	830,807	840,779	1,945,698	(336,319)	(265,831)	9,841,637	9,239,487
Net Assets - Beginning of Year	2,522,855	3,160,711	11,614,854	17,298,420	2,859,174	3,426,542	1,773,217	8,058,933
NET ASSETS - END OF YEAR	<u>\$ 2,796,967</u>	<u>\$ 3,991,518</u>	<u>\$ 12,455,633</u>	<u>\$ 19,244,118</u>	<u>\$ 2,522,855</u>	<u>\$ 3,160,711</u>	<u>\$ 11,614,854</u>	<u>\$ 17,298,420</u>

See accompanying Notes to Financial Statements.

Angus Foundation Statements of Cash Flows

September 30, 2016 and 2015

Cash Flows From Operating Activities	2016	2015
Changes in Net Assets	\$ 1,945,698	\$ 9,239,487
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Realized Gains on Investments	(275,034)	(257,716)
Net Unrealized Losses on Investments	(697,953)	592,510
Contributions Restricted for Long-Term Purposes	(830,630)	(9,841,637)
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable	2,852	(892)
Pledges Receivable - Net	3,242,282	(3,519,704)
Inventories	11,673	(2,619)
Prepaid Expenses	16,759	(19,421)
Accounts Payable - Trade	(102,220)	142,063
Accrued Liabilities and Post Retirement Benefits	6,185	5,110
Net Cash Provided (Used) by Operating Activities	3,319,612	(3,662,819)
Cash Flows From Investing Activities		
Proceeds from Sale of Investments	919,054	599,689
Purchases of Investments	(4,940,423)	(6,727,880)
Net Cash Used by Investing Activities	(4,021,369)	(6,128,191)
Cash Flows From Financing Activities		
Proceeds from Contributions Restricted For Investment in Endowments	830,630	9,841,637
Net Increase In Cash And Cash Equivalents	128,873	50,627
Cash and Cash Equivalents - Beginning of Year	207,862	157,235
Cash and Cash Equivalents End Of Year	\$ 336,735	\$ 207,862

See accompanying Notes to Financial Statements.

Angus Foundation Notes to Financial Statements

September 30, 2016 and 2015

NOTE 1 – Summary of Significant Accounting Policies

Angus Foundation (the Foundation) is a nonprofit organization incorporated in the state of Illinois in 1980. The Foundation's principal activities are to secure, manage, and steward charitable gifts for the purpose of cultivating and fostering the advancement of education, youth, and research activities related to the Angus breed and the agricultural industry.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Foundation's financial statements include: the allocation factors used to allocate costs among the various programs and supporting services of the Foundation; the estimated timing and collectibility applicable to pledges receivable and accounts receivable; the required liability for post retirement benefits; and the estimated final distribution of an estate. Actual results could differ from those estimates.

Net Assets

Financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets.

Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted. This category includes board designated assets.

Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. Excess realized and unrealized investment income is added to temporarily restricted net assets, if these amounts have not yet been utilized for their designated purposes, to the extent required by the individual donor agreements. If not required by the donor, these earnings are recorded as unrestricted income.

Permanently restricted net assets include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Angus Foundation Notes to Financial Statements *(continued)*

September 30, 2016 and 2015

Cash and Cash Equivalents

Cash and cash equivalents generally include cash on hand and liquid investments with banks, mutual funds, certificates of deposit and money market accounts with an initial maturity date of three months or less. Certain cash equivalents are considered to be an integral part of the Foundation's investment program and are, accordingly, recognized as a component of investments on the statement of financial position.

Contributions

Contributions, including promises to give, are recorded when they have become unconditional.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Conditional promises are recorded when the donor's conditions are met. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as temporarily or permanently restricted and increase those net asset classes.

Pledges and Accounts Receivable

Pledges receivable represents unconditional promises to give that are due within one to three years. Pledges receivable are stated at the pledged amount, with the exception of long-term promises to give which are discounted to reflect their present value. Management has also established a valuation allowance that reflects management's best estimate of amounts that may not be collected.

Accounts receivable relate to products and services, and are generally due within 30 days of the invoice date. As the receivables tend to be small and are generally collectible, no valuation allowance is deemed by management to be necessary.

Inventories

Inventories consist primarily of promotional, educational, and support items. Inventories are stated at the "lower of cost or market value" with cost being determined on the "first-in, first-out" (FIFO) basis of accounting.

Investments

Investments include fixed income and equity security mutual funds, certificates of deposit, and money market accounts. Investments in fixed income and equity mutual funds are carried at fair value with unrealized and realized gains and losses reported as an increase or decrease in the appropriate category of net assets. Certificates of deposits and money market accounts are carried at cost, which approximates fair value.

Investment income is reported in the statement of activities as unrestricted, temporarily restricted, or permanently restricted revenue based upon donor imposed restrictions.

Post Retirement Benefits

The Foundation provides certain health care benefits for retired employees who meet eligibility requirements. The value for post retirement benefits is determined using the accrual amount based on employee census information and estimates of the actuarial lifespan of potentially eligible individuals, the current year cost of supplemental health insurance, and certain assumptions related to discount rates and expected return on investments.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the U.S. Internal Revenue Code, and is not considered to be a private foundation. Therefore, no income or excise taxes have been provided in the financial statements. The Foundation follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

Description of Programs

The Foundation develops, assists, and sponsors educational programs, supports youth programs, and sponsors scientific research on topics related to agriculture.

Functional Allocation of Expenses

The indirect functional costs of providing the various programs and activities of the Foundation have been allocated amongst those programs and activities according to allocation principles believed to be most representative by management of the actual efforts required by those programs. Program expenses include both these allocated costs and the direct costs of providing each program or activity.

Angus Foundation

Notes to Financial Statements (continued)

September 30, 2016 and 2015

NOTE 2 – Fair Value of Financial Instruments

In determining fair value, the Foundation uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1—Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and
- Level 2—Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

Investments

Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within level 1 of the valuation hierarchy.

Fair values of assets measured on a recurring basis, as of September 30, are as follows:

		2016			
		Total Fair Value	Level 1	Level 2	Level 3
Investments:					
Equity Securities:					
Mutual Funds:					
Large cap equity	\$ 3,894,450	\$ 3,894,450	\$ —	\$ —	—
Mid cap equity	196,405	196,405	—	—	—
Small cap equity	98,284	98,284	—	—	—
International	389,998	389,998	—	—	—
World	356,651	356,651	—	—	—
Fixed Income:					
Mutual funds:					
Corporate	13,637,725	13,637,725	—	—	—
Total assets	\$ 18,573,513	\$ 18,573,513	\$ —	\$ —	—
		2015			
		Total Fair Value	Level 1	Level 2	Level 3
Investments:					
Equity Securities:					
Mutual Funds:					
Large cap equity	\$ 3,703,463	\$ 3,703,463	\$ —	\$ —	—
Mid cap equity	222,737	222,737	—	—	—
Small cap equity	128,087	128,087	—	—	—
International	203,577	203,577	—	—	—
World	317,080	317,080	—	—	—
Fixed Income:					
Mutual funds:					
Short-term	2,375,239	2,375,239	—	—	—
Corporate	5,092,552	5,092,552	—	—	—
High yield	154,140	154,140	—	—	—
Intermediate	1,343,746	1,343,746	—	—	—
Total assets	\$ 13,540,621	\$ 13,540,621	\$ —	\$ —	—

Angus Foundation

Notes to Financial Statements (continued)

September 30, 2016 and 2015

NOTE 3 – Investments

The value of investments at September 30, 2016 consists of the following:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held at Cost:				
Certificates of deposit	\$ 13,313	\$ -	\$ -	\$ 13,313
Money market accounts	29,646	-	-	29,646
Held at fair value:				
Equity security mutual funds	4,679,777	256,011	-	4,935,788
Fixed income mutual funds	13,352,005	285,720	-	13,637,725
Total investments	<u>\$18,074,741</u>	<u>\$ 541,731</u>	<u>\$ -</u>	<u>\$18,616,472</u>

Investment returns for the year ended September 30, 2016 consist of the following:

Interest Income	\$ 378,815
Net Realized Gains	275,034
Investment Fees	(9,250)
Net Investment Income	644,599
Net Unrealized Gains	697,953
Total Investment Returns	<u>\$ 1,342,552</u>

The value of investments at September 30, 2015 consists of the following:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held at Cost:				
Certificates of deposit	\$ 13,510	\$ -	\$ -	\$ 13,510
Money market accounts	67,985	-	-	67,985
Held at fair value:				
Equity security mutual funds	4,648,175	-	73,231	4,574,944
Fixed income mutual funds	9,048,668	-	82,991	8,965,677
Total investments	<u>\$13,778,338</u>	<u>\$ -</u>	<u>\$ 156,222</u>	<u>\$13,622,116</u>

Investment returns for the year ended September 30, 2015 consist of the following:

Interest Income	\$ 188,425
Net Realized Gains	257,716
Investment Fees	(7,302)
Net Investment Income	438,839
Net Unrealized Loss	(592,510)
Total Investment Returns	<u>\$ (153,671)</u>

NOTE 4 – Pledges Receivable

Pledges receivable contain the following:

	2016	2015
Total Pledges Receivable	\$ 386,400	\$3,662,881
Less: Allowance for Uncollectible Pledges	35,500	69,689
Less: Unamortized Discount	340	350
Net Pledges Receivable	350,560	3,592,842
Less: Pledges Receivable, Net - Current Portion	347,900	3,588,192
Long-Term Pledges Receivable, Net	<u>\$ 2,660</u>	<u>\$ 4,650</u>

Amounts Due in:

2017	\$ 383,400
2018	1,000
2019	1,000
2020	1,000
Total	<u>\$ 386,400</u>

Interest was imputed at a rate of 5% in discounting long-term pledges receivable.

The Foundation has been informed of multiple donors naming the Angus Foundation as a charitable beneficiary in their revocable wills or trusts. Since these gifts are revocable, they are not reflected within the accompanying financial statements due to their conditional nature.

The Foundation is a beneficiary of an estate that is in the process of liquidating its assets to make a final distribution. Based upon discussion with the executors of the estate, the Foundation has recognized a receivable of \$245,000 in these 2016 financial statements. This amount is subject to change relating to any final earnings or costs discovered or incurred by the estate.

NOTE 5 – Pension and Post Retirement Benefit Plans

The Foundation sponsors a qualified noncontributory defined contribution plan (the Plan), which covers substantially all full time eligible employees. Contributions are established by the Board of Directors and are discretionary. Contributions to the Plan are based upon eligible employee salaries and years of service. During the fiscal years ended 2016 and 2015, the Foundation contributed \$13,523 and \$17,010, respectively, to this Plan.

During the fiscal year ended September 30, 1997, the Plan was amended to include a supplemental savings and retirement plan qualified under Section 401(k) of the Internal Revenue Code. Eligible employees may contribute a percentage of their eligible salary subject to federal statutory limits.

Angus Foundation

Notes to Financial Statements (continued)

September 30, 2016 and 2015

NOTE 5 – Pension and Post Retirement Benefit Plans (continued)

The Foundation provides supplemental post retirement health care benefits to employees who meet certain years of service requirements. This Plan is not available for employees hired after March 1, 2006. This benefit is to be funded from the general assets of the Foundation as they are incurred. No benefits were paid in 2016 or 2015. The following is information about the benefit obligation and assumptions related to this benefit plan as of September 30:

	<u>2016</u>	<u>2015</u>
Accrued benefit obligation:		
Long-term liability	\$ 22,000	\$ 21,000
Change in obligation for post retirement benefits	\$ 1,000	\$ -
Weighted average assumptions:		
Discount rate	6%	6%
Expected return on plan assets	8%	8%

NOTE 6 – Board Designated, Temporary and Permanent Restrictions

Board designated net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Youth, research and education programs	\$ 1,897,475	\$ 1,675,953

Temporarily restricted net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Research	\$ 10,384	\$ 12,545
Youth Programs	841,579	607,345
Education	718,844	292,007
Future Operations	2,420,711	2,248,814
Total Temporarily Restricted Assets Balance	\$ 3,991,518	\$ 3,160,711

Permanently restricted net assets represent endowments, which are invested in perpetuity, the income from which is expendable to support specific programs as follows:

	<u>2016</u>	<u>2015</u>
Research	\$ 64,432	\$ 25,000
Youth Programs	1,890,628	1,840,672
Education	10,500,573	9,749,182
Total Permanently Restricted Assets Balance	\$ 12,455,633	\$ 11,614,854

Investment losses relative to donor restricted funds are born by the individual funds.

NOTE 7 – Endowments

The Foundation's endowments consist of 52 funds established to support a variety of scholarships and programs. Its endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors (the Board) to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board has interpreted Missouri's enactment of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Angus Foundation

Notes to Financial Statements (continued)

September 30, 2016 and 2015

NOTE 7 – Endowments (Continued)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S&P 500 index while assuming a moderate level of investment risk. Due to the specific investment guidelines required by a significant endowment donor, approximately \$10 million was invested in fixed income type investments as of September 30, 2016.

Spending Policy

The Foundation has a policy of appropriating a distribution percentage each year of its endowment fund's average balance over the prior three years preceding the fiscal year in which the distribution is budgeted (5% for 2016 and 2015). Because this amount is calculated for a future year, any amount appropriated for the following fiscal years is added to temporarily restricted net assets in the current year.

In establishing this policy, the Foundation considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Foundation expects the current spending policy will allow its endowment to retain the original corpus of the gift.

Strategies Employed for Achieving Objectives

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ —	\$ 856,229	\$12,191,683	\$13,047,912
Board designated endowment funds	1,818,060	—	—	1,818,060
Total funds	<u>\$ 1,818,060</u>	<u>\$ 856,229</u>	<u>\$12,191,683</u>	<u>\$14,865,972</u>

Changes in endowment net assets for the fiscal year ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	\$ 1,601,757	\$ 160,638	\$ 7,932,849	\$ 9,695,244
Investment Return:				
Investment Income	82,517	348,047	—	430,564
Net appreciation:				
Board designated	96,213	—	—	96,213
Donor restricted	—	406,799	—	406,799
Total	178,730	754,846	—	933,576
Contributions	93,973	13,660	4,258,834	4,366,467
Appropriation of endowment assets for expenditure	(56,400)	(72,915)	—	(129,315)
Net assets, end of year	<u>\$ 1,818,060</u>	<u>\$ 856,229</u>	<u>\$12,191,683</u>	<u>\$14,865,972</u>

Angus Foundation

Notes to Financial Statements

September 30, 2016 and 2015

NOTE 7 – Endowments (Continued)

Endowment net asset composition by type of fund as of September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ —	\$ 160,638	\$ 7,932,849	\$ 8,093,487
Board designated endowment funds	1,601,757	—	—	1,601,757
Total funds	\$ 1,601,757	\$ 160,638	\$ 7,932,849	\$ 9,695,244

Changes in endowment net assets for the fiscal year ended September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, Beginning of Year	\$ 1,612,058	\$ 358,255	\$ 1,741,787	\$ 3,712,100
Investment Return:				
Investment Income	90,377	140,884	-	231,261
Net Appreciation:				
Board Designated	(107,210)	-	-	(107,210)
Donor Restricted	-	(230,895)	-	(230,895)
Total	(16,833)	(90,011)	-	(106,844)
Contributions	76,732	9,507	6,191,062	6,277,301
Appropriation of Endowment Assets for Expenditure	(70,200)	(117,113)	-	(187,313)
Net assets, End of year	\$ 1,601,757	\$ 160,638	\$ 7,932,849	\$ 9,695,244

NOTE 8 – Related Parties

The Foundation paid an affiliated organization \$40,400 and \$40,350 for rent of facilities and equipment, and administrative services, for the years ended September 30, 2016 and 2015, respectively.

The Foundation paid affiliated organizations \$124,226 and \$141,296 for sponsorships of events and shows during the years ended September 30, 2016 and 2015, respectively, of which \$- and \$121,646 is included in accounts payable at September 30, 2016 and 2015, respectively. Included in accounts payable at September 30, 2016 and 2015 was \$64,256 and \$143,206, respectively, due to an affiliated organization.

An affiliated organization contributed \$337,500 and \$300,000 to cover current and future administrative services and donor relations for each of the years ended September 30, 2016 and 2015, respectively.

The same affiliated organization made a conditional pledge for fiscal year 2017 of \$450,000 earmarked for 2017 administrative and promotional costs. Due to its conditional nature, this pledge has not been reflected in these financial statements.

NOTE 9 – Fluctuation in Investment Values

The Foundation's investment portfolio is subject to significant fluctuations in its value. Because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the Foundation will recognize in its future financial statements, if any, cannot be determined.

NOTE 10 – Contingencies

The Foundation has approved various grants totaling approximately \$166,500 for specific research projects. The grants are contingent upon the researchers accepting final agreements and meeting other requirements established by the Foundation. Due to their conditional nature, the financial statements do not reflect a commitment for these grants.

NOTE 11 – Concentrations

Approximately 74% of the Foundation's contributions during the year ended September 30, 2016 were from three donors. Approximately 89% of the Foundation's contributions during the year ended September 30, 2015 were from one donor.

Approximately 63% of the Foundation's pledges receivable at September 30, 2016 were from one donor. Approximately 96% of the Foundation's pledges receivable at September 30, 2015 were from one donor.

NOTE 12 – Subsequent Events

Management evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2016, but prior to October 14, 2016 that provided additional evidence about conditions that existed at September 30, 2016, have been recognized in the 2016 financial statements.

This information is an integral part of the accompanying financial statements.